

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Institutional Cost Contribution
Requirement for Competitive Products

Docket No. RM2012-3

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued May 16, 2012)

To clarify the record, the Chairman requests that the Postal Service provide written responses to the following questions. Answers should be provided as soon as possible, but no later than May 23, 2012.

1. Under 39 U.S.C. § 3633(a)(3), the Commission was required to promulgate regulations to “ensure that all competitive products collectively cover what the Commission determines to be an appropriate share of the institutional costs of the Postal Service.” In Docket No. RM2007-1, Order No. 43 (October 29, 2007), the Commission promulgated the “appropriate share” regulation. The Commission determined that “[a]nnually, on a fiscal year basis, the appropriate share of institutional costs to be recovered from competitive products collectively is, at a minimum, 5.5 percent of the Postal Service's total institutional costs.” 39 CFR 3015.7. Title 39 U.S.C. § 2011(a)(2) establishes the Competitive Products fund (CP fund). Funds deposited in the CP fund may be used to pay for “costs attributable to competitive products,” and “all other costs incurred by the Postal Service, to the extent allocable to competitive products.” 39 U.S.C. 2011(a)(2).
 - a. Please confirm that since the establishment of 39 CFR 3015.7 and the CP fund, no more than 5.5 percent of the Postal Service's total institutional

costs has been withdrawn from the CP fund “[a]nnually, on a fiscal year basis” to pay for institutional costs. If not confirmed, provide the percent of the Postal Service’s total institutional costs that has been withdrawn from the CP fund and paid towards institutional costs of the Postal Service each year since these rules became effective.

- b. If part a. is confirmed, please explain why the Postal Service has not transferred more than 5.5 percent of the total institutional costs from the CP fund to pay for institutional costs in any year.
- c. If part a. is confirmed, please identify all limitations, *e.g.*, legal and/or accounting, on the amounts the Postal Service may, in its discretion, withdraw from the CP fund to pay for institutional costs.

Ruth Y. Goldway